



FA1-00600-1 The Buck Institute for Age Research - CIRM Center of Excellence

Facilities Working Group Score: 82

Requested Funding: \$25,000,000

FWG Recommended Funding: \$20,500,000

Possible points ⇒	Value 25	Leverage 25	Urgency 20	Shared Res 15	Function'ty 15
FWG Score: 82	20	16	19	13	14

PROPOSAL:

This applicant proposes construction of a four-story building (one floor of which will be below grade) to house laboratories for existing and future stem cell researchers, core facilities (including a cell and tissue storage facility), and a variety of support spaces. The \$41.4 million project will include 65,708 gross square feet (gsf), which the applicant indicates provides 58,015 assignable square feet (asf). However, when federal space inventory guidelines are applied to the architectural drawings included in the application, the assignable area calculates at 44,119 asf. The applicant requests CIRM funding of \$25 million.

The project is to house 12 Principal Investigators (PIs) engaged in stem cell research, three of which are existing PIs engaged in stem cell related research and nine of which will be future recruits. Currently, the applicant has six PIs and anticipates recruiting a total of ten new PIs. According to the applicant (see comment letter of March 25th), the project includes four additional laboratories that will address "the provision of space for visiting scientists and shared stem cell lab space for researchers from other institutions."

The space proposed includes the typical laboratory, laboratory support space, office space, four core laboratories, and a cell and tissue storage facility to accommodate needs at this institution and other CIRM-funded institutions. The CIRM-funded project also includes a fitness center equipped with showers, a conference center, extensive food service and library space, and general administrative and interactive space. Completion of the project is scheduled for July 2010.

COST:

Cost Summary Table

Cost Category	Total Amount	Amount/PI*
Building	\$40,049,435	\$3,337,453
Group 2 Equipment	\$1,357,732	\$113,144
Total	\$41,407,167	\$3,450,597
CIRM Amount	\$25,000,000	\$2,083,333
Applicant Amount	\$16,407,167	\$1,367,264

* Based on number of PIs included in the Part 1 Capacity/Use table

SUMMARY OF FACILITIES WORKING GROUP REVIEW AND DISCUSSION

The reviewer stated that this was an excellent application.

Value--The reviewer noted that the costs are in line and commensurate with the area and that the applicant's ability to start the project has been demonstrated with land entitlements and infrastructure in place. The reviewer stated that costs are the lowest among applicants in both the Institute and Center of Excellence categories. The FWG discussed the laboratory planner's evaluation, noting that although this is a lower cost proposal, this fact did not seem to be reflected in the planner's value score. The laboratory planner explained that in scoring for value, he took points off for applications that, like this one, include large amounts of space not devoted to a laboratory function.

Leverage

The reviewer noted that the application included an impressive contribution of leverage, with applicant funds being three times the requested amount of CIRM funding. The secondary reviewer noted questions for the applicant about whether up to \$28 million in leverage attributed to prior expenditures qualified as leverage under the applicable definition. Specifically, he suggested that approximately \$8.4 million of that leverage should be disallowed, including \$6.4 million for the prorated share of an existing vivarium which should be considered shared resources, and \$1.952 million for prior expenditures for research that does not meet the definition of leverage. The FWG discussed whether these expenses, the actual documented cost of land and entitlements, should be allowed as leverage.

In response to questions from the FWG, the applicant's representative said that the value it assigned to land is mostly attributable to the value of improvements and entitlements. He explained that 35 percent of the cost of these improvements was allocated to the CIRM project on a present value basis. He also explained that the land cost included in leverage represents the monetized value of the land underlying the CIRM-funded building assuming a developer partner is engaged to help finance the project. The applicant described the various arrangements being considered for involving an equity partner in the project.

In response to a question from the FWG, the applicant's representative said that there are 327 acres of open space at the site, and the total complex has a value of \$125 to \$150 million. The FWG noted in the discussion that the entitlements represent a very low cost in comparison to typical projects and represented a good value for CIRM. The open space was noted as a valued resource in helping recruit scientists to the relatively isolated area.

The working group elected to exclude from leverage all prior funds with the exception of the value of the land underlying the building, valued at \$4,772,600. This reduced the leverage by \$23,420,000, leaving total leverage of \$16,660,000.

Urgency— The reviewer indicated that the application met the requirements for completion within two years which the reviewer found to be very good to excellent. The reviewer indicated that the implementation team was good.

Shared Resources— It was noted by the reviewer that the applicant does have core laboratories that will be available as shared resources. In response to a question by the FWG, the applicant's representative identified several collaborative relationships it has with other research institutions, both statewide and internationally. He also explained that in addition to the equity partner for this project, there are other investment partners interested in operating the tissue storage facility.

Functionality— The laboratory planner also noted that there is a large volume of space in the lower level of the building to be used for tissue storage that the applicant will not have immediate need for. During the discussion, the FWG noted that the lower cost of the project would offset concerns with spaces that have less functionality.

The FWG score for this application was 82. During programmatic review, the FWG recommended funding of \$20,500,000, representing 82 percent of the requested amount of \$25 million.